

## Message Text

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ACTION IO-13

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04

NSAE-00 SIL-01 ABF-01 OMB-01 TRSE-00 SSO-00 INRE-00

AF-08 ARA-10 EA-09 EUR-12 NEA-10 AID-05 /090 W

-----111219Z 007185 /11

O 111113Z FEB 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 5132

UNCLAS SECTION 1 OF 2 GENEVA 0985

IO FOR PALMER

PASS LABOR FOR HOROWITZ, QUACKENBUSH, AVERY & LINSENAYER

PASS COMMERCE FOR UPTON

E.O. 11652: NA

TAGS: ELAB, ILO

SUBJ: TRUST FUNDS, FUNDS IN TRUST AND OTHER EARMARKED EXTRA-BUDGETARY FUNDING

REF: STATE 025326

1. THE ILO HAS PROVIDED THE FOLLOWING ANSWERS TO THE QUESTIONS CONCERNING SUBJECT FUNDS RAISED IN REFTEL.

2. THE TOTAL AMOUNT OF SUBJECT FUNDS FOR 1976 (SUBJECT TO FINAL ADJUSTMENT AND AUDIT) WAS \$15,883,000.

3. MAJOR DONORS AND BREAKDOWN OF SUBJECT FUNDS IN 1976:

A. BILATERAL ARRANGEMENTS (INCLUDING ASSOCIATE EXPERTS):

BELGIUM - 614,000

DENMARK - 1,198,000

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FEDERAL REPUBLIC OF GERMANY - 601,000

FINLAND - 448,000

IRAN - 126,000

NETHERLANDS - 1,037,000

NORWAY - 798,000

SWEDEN - 3,895,000

SWITZERLAND - 374,000

SUB-TOTAL - 9,091,000

B. GOVERNMENT TRUST FUNDS:

HONDURAS - 109,000

KUWAIT - 186,000

LIBYA - 432,000

MALI - 348,000

QATAR - 116,000

TUNISIA - 217,000

SUB-TOTAL 1,408,000

C. UN AGENCIES (INCLUDING UNFPA, UNEP AND SOME  
UNDP WORK SUBCONTRACTED TO THE ILO BY OTHER  
AGENCIES): \$4,942,000.

4. U.S. HAS NOT PROPOSED OR CONTRIBUTED TO SUBJECT  
FUNDS IN 1976, HOWEVER, THERE ARE INDIRECT U.S.  
CONTRIBUTIONS TO THE ILO IN THE FORM OF U.S. SUPPORT  
TO THE AGENCIES LISTED IN PARA THREE C ABOVE.

5. THERE ARE NO SPECIAL POLICY ISSUES RELATING TO  
SUBJECT FUNDS:

A. INFORMATION ON OVERHEAD COSTS IS CONTAINED  
IN ILO CIRCULAR NO. 30 OF SERIES FIVE, DECEMBER 10, 1976.  
COPIES OF THIS CIRCULAR SHOULD BE AVAILABLE AT DOL AND AT  
STATE IN IO. THE KEY POINTS IN CIRCULAR 30 ARE (1) THE  
NORMAL RATE OF SUPPORT COSTS CHARGED BY ILO IS 14 PERCENT OF  
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PROJECT COSTS AND 5 PERCENT FOR RESEARCH PROJECTS; (2) EXCEPTIONS  
TO THESE RATES CAN BE MADE IN CASES WHERE THE OVERALL COST  
TO ILO IS SIGNIFICANTLY LOWER THAN 14 PERCENT (E.G. WHERE  
PROCUREMENT OF EQUIPMENT IS INVOLVED); AND (3) THE CIRCULAR IS  
EFFECTIVE AS OF OCTOBER 10, 1976.

B. ILO DOES NOT ACCEPT NON-CONVERTIBLE CURRENCIES IN  
CONNECTION WITH SUBJECT FUNDS.

C. ILO POSITION ON SKEWING IS LAID OUT IN FOLLOWING  
PARAGRAPH.

6. BEGIN TEXT:

EFFECT OF THE MULTI-BILATERAL AND FUND-IN-TRUST ARRANGEMENTS  
ON THE ILO PROGRAMME OF ACTIVITY

THE TABLE ATTACHED SHOWS THE PER CENT DISTRIBUTION OF ILO  
TECHNICAL CO-OPERATION EXPENDITURES IN 1975 ACCORDING TO AREA

OF EMPHASIS AND SOURCE OF FUND.

THE ANALYSIS OF THE FIGURES FOR 1975 SHOWS THAT THE MULTI-BILATERAL ARRANGEMENTS HAVE LARGELY CONTRIBUTED TO A BETTER BALANCE OF THE ILO TECHNICAL CO-OPERATION ACTIVITIES ACCORDING TO THE MAIN AREAS OF EMPHASIS IN THE LONG-TERM PLAN. UNDER THE UNDP, WHICH IN 1975 REPRESENTED APPROXIMATELY 74 PER CENT OF THE RESOURCES AVAILABLE FOR TECHNICAL CO-OPERATION, ALMOST TWO-THIRDS OF THE FUNDS HAVE BEEN SPENT ON HUMAN RESOURCES ACTIVITIES: INDUSTRIAL TRAINING AND OTHER TYPES OF VOCATIONAL TRAINING, MANAGEMENT TRAINING, ASSESSMENT AND PLANNING OF HUMAN RESOURCES. RESOURCES ASSIGNED TO THE DEVELOPMENT OF SOCIAL INSTITUTIONS AND THE IMPROVEMENT OF WORKING CONDITIONS, INCLUDING LABOUR STANDARDS AND WORKERS' EDUCATION REPRESENTED LESS THAN 16 PER CENT. UNDER THE MULTI-BILATERAL AND FUND-IN-TRUST ARRANGEMENTS A STRONGER EMPHASIS IS PLACED ON SOCIAL INSTITUTIONS AND WORKING CONDITIONS ACTIVITIES: THESE REPRESENTED UNCLASSIFIED

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IN 1975 ALMOST 30 PER CENT OF THE EXPENDITURES; THIS TREND WAS EVEN STRONGER UNDER THE MULTI-BILATERAL PROGRAMME ALONE WHERE ALMOST 38 PER CENT OF THE EXPENDITURES WERE DEVOTED TO THE DEVELOPMENT OF SOCIAL INSTITUTIONS (INCLUDING WORKERS' EDUCATION) AND THE IMPROVEMENT OF WORKING CONDITIONS.

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INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04  
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AF-08 ARA-10 EA-09 EUR-12 NEA-10 AID-05 IOE-00 /090 W  
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FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 5133

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TAKING INTO ACCOUNT THE EXTREMELY LIMITED RESOURCES AVAILABLE UNDER THE REGULAR BUDGET (3.3 PER CENT OF ALL RESOURCES DEVOTED

TO TECHNICAL CO-OPERATION IN 1975), THERE IS NO DOUBT THAT THE MULTIBILATERAL PROGRAMME HAS ENABLED THE ILO TO DEVELOP ITS ACTIVITIES IN FIELDS WHICH HAVE BEEN GIVEN A VERY HIGH PRIORITY IN THE LONG-TERM PROGRAMME; THIS IS ALL THE MORE IMPORTANT AS INCREASING DIFFICULTIES ARE EXPERIENCED BOTH AT THE COUNTRY AND AT THE REGIONAL LEVEL TO ACCOMMODATE SUCH ACTIVITIES WITHIN THE UNDP PROGRAMME.

WHEN ASSESSING THE SITUATION, CONSIDERATION SHOULD ALSO BE GIVEN TO THE FACT THAT THE EXPERIENCE GAINED IN CONDUCTING OPERATIONAL ACTIVITIES AND THE FEEDBACK OF THESE OPERATIONS ARE ESSENTIAL IN ENSURING THAT THE RESEARCH AND THE ESTABLISHMENT OF LABOUR STANDARDS ARE NOT DEVELOPED IN A VACUUM BUT ON THE BASIS OF THE ACTUAL SITUATION IN THE MEMBER STATES.

PER CENT DISTRIBUTION OF ILO TECHNICAL CO-OPERATION EXPENDITURES IN 1975 ACCORDING TO AREAS OF EMPHASIS AND SOURCE OF FUND

UNDP    REGULAR    MULTI-BI AND    ALL FUNDS #  
BUDGET    OTHER FUND-    FUNDS  
              IN-TRUST

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EMPLOYMENT    20.2    23.9    30.0    26.3

HUMAN RESOURCES    64.0    19.1    40.4    54.8

SOCIAL INSTITUTIONS    11.6    47.2    26.7    14.9

WORKING CONDITIONS

AND LABOUR STANDARDS    4.2    9.8    2.8    4.0

TOTAL (PER CENT)    100.0    100.0    100.0    100.0

TOTAL EXPENDITURES    40,163    1,784    8,744    54,227  
8\$ 1,000)

# INCLUDING UNFPA

END TEXT.

7. THE DIFFERENCE BETWEEN THE TOTAL IN PARA TWO ABOVE AND THE SUM OF THE SUB-TOTALS IN PARA THREE ABOVE IS ACCOUNTED FOR BY MINOR CONTRIBUTIONS. SINCE REFTEL ASKS FOR MAJOR CONTRIBUTIONS, ILO DID NOT INCLUDE MINORS IN ITS REPLY.CATTO

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## Message Attributes

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